



U.S. House of Representatives
Committee on Transportation and Infrastructure

Washington, DC 20515

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September 25, 2007

SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

FROM: Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

SUBJECT: Hearing on the Reauthorization of the John F. Kennedy Center for the Performing Arts.

PURPOSE OF THE HEARING

The Subcommittee on Economic Development, Public Buildings, and Emergency Management will meet on Thursday, September 27, 2007, at 10:00 a.m., in room 2167 Rayburn House Office Building, to receive testimony on the reauthorization of Federal funding for operations, maintenance, and capital improvements for the John F. Kennedy Center for the Performing Arts ("Kennedy Center").

BACKGROUND

History

The Kennedy Center was established by an Act of Congress in 1964, as a living memorial to the President John F. Kennedy. The concept of a Federally-chartered cultural center began in 1958 during the Eisenhower Administration, and was to be known as the National Cultural Center. Land was acquired at the current site for this purpose. The assassination of President Kennedy prompted Congress to change the designation of the cultural center in January of 1964. The Kennedy Center is the nation's busiest arts facility, presenting more than 3,000 performances last year and hosting millions of visitors. Located in the District of Columbia, the Kennedy Center provides educational programs for teachers and students from pre-Kindergarten through college across the United States.

Initial funding for the construction of the building came through gifts, donations, and contributions in the amount of approximately \$34.5 million. Federal funds were first appropriated in 1971. In total, Congress approved \$23 million in funds, and approved a government bond issue of \$20.4 million for the parking garage to be repaid from proceeds from the garage operations. The total construction cost of the building was approximately \$78 million. Due to its popularity, within the first year of operations, the Kennedy Center building exceeded its visitor capacity and was in need of serious maintenance and repairs. Congress appropriated \$1.5 million to the National Park Service ("NPS") for the purpose of maintenance and repairs to the Center.

The upkeep needs of the Kennedy Center continued to grow, requiring additional funding for costs related to maintenance and repair, as well as capital improvements. Between 1972 and 1994, Congress appropriated \$65 million to fund major renovations to the building, including the replacement of the roof and the rebuilding of the parking garage. In 1991, Congress appropriated \$14 million to pay the accumulated debt for prior maintenance project costs not covered by previous appropriations. In sum, total Federal funding for the years 1971 to 1998, including construction funding, repayment of deficit funding, and interest forgiveness on the parking garage bonds, has totaled \$283 million.

In response to the continuing need for Federal funding, Congress enacted legislation in 1994 providing a five-year authorization of appropriations for repairs, maintenance, and capital improvements for the Kennedy Center. P.L. 103-279. In addition, this legislation authorized the Board of Trustees to contract directly for the maintenance and repair work to be performed. The legislation also relieved the NPS of its responsibility for the care and upkeep of the Center, as well as security duties, while permitting NPS employees to become permanent employees of the Kennedy Center. The NPS traditionally had the responsibility of maintaining the Center as a memorial, just as it maintains other national memorials. This arrangement was not working well, primarily due to the unique nature of the Kennedy Center as a center for performing arts.

Public Law 103-279 further required the preparation of a Comprehensive Building Plan for the Kennedy Center, which is updated annually. The initial comprehensive plan, submitted in 1995, identified approximately \$270 million in needed capital improvements over the next 25 years. The capital improvements authorized in the 1994 Act were identified as Stage I (1995-1998) of the comprehensive plan. Capital improvements identified as Stage II (1999-2009) improvements included renovations to the opera house; modification and improvements to the restaurants; reconfiguration of interior space; and improvements to the exterior building envelope. These projects were refined in plans submitted in 1996 and 1997.

In the 108th Congress, Congress authorized appropriations for repairs, maintenance, security, and capital improvements for the Kennedy Center for four years (FY 2004 through FY 2007). P.L. 108-410. In addition, this Act required the Government Accountability Office ("GAO") to regularly review the capital program of the Kennedy Center to ensure effective project management. Moreover, the Act required improved project management of the Plaza Project, a project to connect the Kennedy Center to surrounding neighborhoods by bridging over adjacent highways. Public Law 108-410 established a project team for the Plaza Project. The project team is responsible for overseeing decisions relating to the Plaza Project that affect the scope, cost, schedule, or engineering feasibility of the project.

Capital Assets

The Kennedy Center contains approximately 1.5 million square feet of space, and houses eight theaters: the Concert Hall (2,700 seats); the Opera House (2,300 seats); the Eisenhower Theater (1,100 seats); the Terrace Theater (500 seats); Theater Lab (400 seats); Encore Cabaret (200 seats); the American Film Institute (200 seats); and the Millennium Stage. In addition, the building houses three restaurants; office, meeting, and rehearsal space; 23 elevators, six sets of escalators, and 2,000 doors; and five public halls or galleries; 133 restrooms; 108 crystal chandeliers; and 200 valuable paintings, sculptures, tapestries and textiles. The building is situated on 17 acres of land. The Center has parking for approximately 2,000 cars, which includes the parking expansion authorized pursuant to P.L.105-95, which expanded parking by approximately 800 spaces to accommodate the heavy demand for parking at the Center.

Current Funding Levels

The Kennedy Center receives Federal funding for operations, maintenance, and capital improvements through the annual appropriations process in the Department of the Interior, Environment, and Related Agencies Appropriations Act. The FY 2007 enacted funding levels for the Kennedy Center were \$17.6 million for operations and maintenance and \$12.8 million for construction, for a total of \$30.4 million. For FY 2008, the Administration's budget requests \$20 million for operations and \$19.4 million for construction, for a total of \$39.4 million. As a result of the FY 2007 Continuing Resolution, the Kennedy Center had to shift several projects within its Comprehensive Building Plan to future years to keep the Eisenhower Theater renovation on schedule.

PRIOR OVERSIGHT ACTIVITY

In the 105th Congress, P.L. 105-226 authorized the Board of Trustees to design and construct additions to the parking garage, to make site improvements and modifications, and to develop plans and projects to improve pedestrian and vehicle access to the Center.

In the 107th Congress, P.L. 107-224 authorized the Secretary of Transportation to carry out a project for construction of a plaza adjacent to the John F. Kennedy Center for the Performing Arts ("Plaza Project"). The legislation authorized the construction of a plaza adjacent to the Kennedy Center; authorized necessary and related transportation improvements; granted authority for the transfer and receipt of certain property rights; clarified ownership of resulting property; authorized the construction of new buildings; and authorized \$400 million through FY 2010 to complete the Plaza Project.

In the 108th Congress, P.L. 108-410 authorized appropriations for repairs, maintenance, security, and capital improvements for the Kennedy Center for four years (FY 2004 through FY 2007).

In the 109th Congress, P.L. 109-306 authorized additional appropriations for the John F. Kennedy Center for the Performing Arts for fiscal year 2007. This law increased the Kennedy's Center FY 2007 authorization levels to make them consistent with the Administration's Budget request.

WITNESSES

Mr. Michael M. Kaiser

President

John F. Kennedy Center for the Performing Arts